



TK. 025/ 2565

May 10, 2022

Subject : Report of operating results for Q1/2022, net profit increase 38.6% and total revenue decrease 8.4%

Attention : President

The Stock Exchange of Thailand

The operating performance for Q1/2022 of Thitikorn Public Company Limited and its subsidiaries reported a net profit of 135.1 Million Baht, an increase of 38.6% from 97.5 Million Baht compared to the same period last year, total revenue of 493.3 Million Baht, a decrease of 8.4% from 538.7 Million Baht compared to the same period last year.

In 2022, Thai economy is forecasted to expand 3.3% - 4.1%, which is higher than the previous year. This is in line with the increasing of domestic motorcycle hire purchase receivables of the Company since the fourth quarter of 2021 to first quarter of 2022. Moreover, Thai exports also improve and are projected to grow 5% from previous year. With an export value of 2.4 trillion baht during the first quarter of 2022, a growth of 8.7%. Tourism industry is expected to recover this year, the Tourism Authority of Thailand predicts that in 2022 there will be 5-15 million foreign tourists along with 160 million Thai tourists, resulting in tourism revenue as high as 1.2 trillion baht. It is expected that these positive factors will benefit Thai economy and business expansion as well as the quality of hire purchase receivables of TK Group. In 2021, GDP grew only 1.6%. All countries have been experiencing the COVID-19 pandemic for the last years, and at the start this year Russian-Ukrainian went to war that will impact from higher energy and commodity prices as a result, the cost of living in Thailand continues to increase. Thai inflation rose 5.73% in March 2022, the highest level in 12 years. However, it is not currently possible to clearly assess the total impact of Covid-19 pandemic, Inflation and supply shortages as well as raising interest rates by central banks around the world, with other risk factors which may arise, resulting in TK conservative policy in underwriting new loans.

Domestic motorcycle sales in Q1/2022 were 449,739 units or 3.1% increased from 436,215 units from last year, after the sales declined for 3 consecutive years but began to increase last year. Automobile sales in Q1/2022 were 231,189 units or 19.1% increased from 195,137 units from last year after the sales declined for 3 consecutive years. Directly affected the Company operation as followed:

1. Total Revenues for Q1/2022 were 493.3 Million Baht, a decrease of 8.4% from 538.7 Million Baht compared to the same period last year. As for the Hire-Purchase Income in Q1/2022, amount of 347.2 Million Baht decreased by 5.4% from 367.1 Million Baht compared to the same period last year due to the ongoing economic downturn, mainly came from the severe situation of the pandemic in this quarter.

Other Incomes for Q1/2022 were 140.7 Million Baht, a decrease of 7.3% from 151.7 Million Baht compared to the same period last year as a result of declining of bad debt recovery as well as reduced from the reduction of bad debt write-off proportion due to improvement of debt quality.

2. Total Expenses for Q1/2022 were 313.0 Million Baht, a decrease of 20.5% from 393.7 Million Baht compared to the same period last year. Total selling and administrative expenses for Q1/2022 were 275.2 Million Baht, a decrease of 4.1% from 287.1 Million Baht compared to the same period last year due to:

2.1 Cost control management and reduction of its administrative expenses in various departments, such as reducing paperwork and redundancy

2.2 The increasing usage of Digital Technology

3. Cost of fund for Q1/2022 were 7.8 Million Baht, a decrease of 24.3% from 10.3 Million Baht compared to the same period last year due to reduction of loan facilities and an effective managing cost of fund. As of the end of Q1/2022, after repayment of debentures 670 Million Baht in last year, the Company had cash & deposits position of approximately 2,495 Million Baht, D/E ratio was 0.23X as the end of 2021.

At the end of Q1/2022, the Company had a total of 4,144.1 Million Baht in Net Hire-Purchase Contract and Loan Receivables, an increase of 4.9% from 3,949.4 Million Baht compared to the end of previous year due to the policy of accelerating the expansion to increase sales. In addition, domestic hire purchase receivables began to expand for the second consecutive quarter. Since the 2nd quarter of 2020, there were relief measures for customers who affected by Covid-19, however, the Company decided not to use the temporary right to classify customers according to the principles of the Federation of Accounting Professions of Thailand. The Company allowance for doubtful accounts was higher than other Operators in the same business which were using temporary relief measures from the second quarter of 2020; at the end of Q1/2022 allowance for doubtful accounts amounted to 324.9 Million Baht, account receivables overdue more than 3 months was 6.1% and Coverage Ratio was 118.2% (The allowance for doubtful accounts at the end of 2021 amounted of 371.6 Million Baht, account receivables overdue more than 3 months was 7.1% and Coverage Ratio was 120.5%). The Company's Total Assets were 7,093.7 Million Baht, an increase of 1.6% from 6,979.0 Million Baht compared to the end of previous year. Total Liabilities of 1,307.7 Million Baht, a 1.1% decrease from 1,322.0 Million Baht compared to the end of previous year.

As for the next quarters to come the group of Companies is ready to accelerate its business expansion immediately by using the Company's cash which is sufficient to expand for at least another 12 months which is expected to benefit the company performance in the medium and long run.

Please be informed accordingly.

Best regards

(Ms. Prathama Phornprapha)

Director / Managing Director